

Audit's[®] MARKET ANALYSIS OF REITS AND REAL ESTATE COMPANIES

Realty Stock Review

JUNE 23, 1989 (Priced June 22)

Volume XX, Number 12

Market Trends: Bad News May Signal Bottom of Recession

New Spate of Earnings and Dividend Shocks Hits Banks, Syndicators, Some REITs

Bear markets end in panics and quiet desperation. When investors abandon all hope and start jettisoning everything, then you know the end of any decline is near.

We see so many evidences that this is happening in real estate markets now that we are compelled to think a turn in real estate markets—and in investor perception of real estate stocks—is near. Everything reinforces our oft-stated conviction that the best real estate values today are in real estate stocks. Here are some recent events we are hearing about:

—One very small finite-life REIT voted to accept some low-ball offers for its Oil Patch shopping centers from a much larger REIT and go out of business, rather than entertain merger offers or face prospects of waiting for a “sometime” recovery. Trustees simply felt they’d had enough and decided to pack it in.

—New Plan Realty recently paid \$8 mil. for three shopping centers—or about one-third of the \$25 mil. three lending institutions had invested before foreclosing. Again, lenders wanted out.

—On a broader scale, the British Coal Board is trying to sell its \$1 bil. U.S. real estate portfolio, assembled early in this decade by buying two REITs, Continental Illinois Realty and RAMPAC. The move would reduce cross-currency risks for the Brits, but we doubt they’ll sell at any price.

While these small events are anecdotal, we think they reflect a mood prevailing among many “nouveau” types who became instant real estate experts in the boom-and-zoom days of the early 1980s. Let’s get on to something else, they are saying. Good, we say.

estate’s bear market is winding down coincides with a spate of gloomy news jamming the columns of the financial press. Since our May 26 market summary, readers have been hit with a drumbeat of bad news. Some items:

—Integrated Resources found it couldn’t roll over commercial paper because banks refused to fund maturing paper. This default sent shares of this major tax shelter syndicator plunging about 70% to \$4.63 (NYSE) recently. IRE had piled up \$955 mil. debt in an effort to diversify into mutual funds and life insurance to blunt impact of clamp-downs on tax shelters in recent years, notably the 1986 Tax Reform Act. The debacle cast a cloud over 606 partnerships IRE has sponsored over the years, about three-fourths of them owners of corporate-guaranteed real estate. We are reducing IRE to D Rank. Some side effects:

American Real Estate Partners (ACP: NYSE), a 1987 rollup of 13 IRE partnerships into an MLP with \$500 mil. assets, actually rose a bit the past month to \$14.75, even tho IRE’s liquidity troubles cast some doubt on the ability of IRE, thru a subsidiary, to continue as general partner.

See our Jan. 13, 1989 review of ACP. Rank falls to C

RPS Realty Trust (RPS:NYSE), a late 1988 rollup of three IRE-sponsored equity-sharing mortgage trusts, closed at \$6.00, unchanged. RPS is independently managed since the rollup.

—Real estate loan problems continue to hurt the banking and S&L industry. PNC Financial Corp., Pennsylvania-based super-regional bank, said it would add \$100 mil. to non-performing loans in the June qtr., including two East Coast shopping centers. Valley National Bank of Phoenix, relatively untouched until now in the real estate recession engulfing Arizona, said it would report \$90 mil. loss for the June qtr. after adding \$181 mil. to loss reserves for credit and real estate losses.

And in Washington, a House-Senate conference committee is working out the final form of a \$150 bil. rescue package for the nation’s S&L industry. However final details are set, the bill means that \$25 bil. or more of troubled real estate will overhang the market for the next several years, mainly in the troubled Oil Patch.

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Our companion service REALTY STOCK DIGEST contains complete EPS, dividend and news reports on 250 realty stocks. Subscribers may call toll free 1-800-441-8414 or write for a free sample copy.

Interestingly, our conviction that real

Portfolio Selector of Stocks For Investment Goals

We list below stocks we believe are currently usable in your portfolio. They are grouped into six major categories reflecting broad investment goals, so you can match property and regional characteristics to your specific needs. Purchases should be made at or below prices listed in

the "Limit" column at right. Stocks currently selling above our suggested limits are marked with an "#" and should be bought only on declines. Most builder/developers, for instance, are above target prices, indicating caution.

Selector also lists REALTY STOCK REVIEW's exclusive Ranking of each stock; the major property type in its portfolio or business; and geographic area in which it operates. We continue to have a bias toward seasoned shopping center REITs in the Northeast and Southeast.

Portfolio Selector List of Realty Stocks for Current Investment

Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	Current Advice/Limit	Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	Current Advice/Limit
SEASONED EQUITY REITs: INCOME PROPERTY OWNERSHIP (22)					FINANCIAL SERVICES/MORTGAGE BANKING				
Stable Income & Asset Growth					Rouse Co.(3/10/9)	A	SC/LAND	NAT	Buy to 29
Bradley RL(7/8/8)	Z	SC	MW	Offer 17 13.50	Shoppo Lau.LP(1/13/9)	NR	SC	MD	Buy to 10
BRE Props.(7/8/8)	A	APT/SC	CA,WA	Buy to 31	Variable Yield, Rate Risk & Price Volatility				
Burnham Pac.(4/21/9)	B	SC/OFF	CA	Buy to 20#	Fed.Nat.Mtg.(2/10/9)	A	MTG	NAT	Buy to 90
Chicago Dock(3/10/9)	B	LAND	IL	Hold/Buy to 26#	Lomas Fincl.(2/10/9)	C	MTG/DIV	NAT	Hold/Buy to 9#
Cousins Prop.(3/10/9)	A	LAND/OFF	GA	Hold/Buy to 20	Unicorp Amer.(7/10/7)	NR	S&L/OFF	NAT	Hold/buy to 6
Dial REIT (9/23/8)	NR	SC	MW	Buy to 19#	AGGRESSIVE RECOVERY/TAKEOVERS/LIQUIDATIONS				
Federal RL(4/21/9)	A	SC	NE	Buy to 24# 250	Speculative yield, Uncertain Outcome, High Price Volatility				
First Union (4/21/9)	A	SC/OFF	NAT	Buy to 20	BB RL Est.(12/23/8)	NR	OFF/SC	CA,AZ	(Z)
HRE Props.(4/21/9)	A	SC/OFF	NAT	Buy to 23#	CleveTrust(8/12/8)	C	OFF/SC	SW	Buy to 4
IRT Prop.(4/21/9)	A	SC	SE	Buy to 14.50	ConCap Income (3/24/9)	NR	MTG	NAT	Buy to 6
Intl.Income (4/28/9)	A	SC	NAT	Hold/Buy to 14#	DukeRity.(10/28/8)	B	OFF/IND	IN,OH	Buy to 5.50#
Koger Eq. (3/10/9)	NR	OFF	SE	Offer 20#	Fairfield Comm.(3/10/9)	C	LAND	SE/SW	Buy to 7
New Plan Rity(4/21/9)	A	SC	NE	Buy to 16 17#	HMG/Courtland(10/28/8)	C	OFF/LAND	SE/SW	Buy to 11
Penn. REIT (4/28/9)	A	SC/APT	NE	Buy to 23 24	Hlth.CareREIT(6/14/9)	B	MED	MW	Buy to 14.50
Prop.Tr.Am.(7/8/8&2/24/9)	A	SC/APT	TX,CO	Buy to 10.50	Hotel Inv.(12/23/8)	C	HOT	NAT	Buy to 10
REIT of Cal.(3/11/8)	A	SC/OFF	CA	Buy to 15# 16#	MGi Props.(7/8/8)	B	APT/OFF	SE/MW	Buy to 15
Santa Anita(4/28/9)	A	SC/RACE	CA	Hold/Buy to 31	MONY Real Est.(5/13/8)	B	IND/SC	NAT	Buy to 8.50/Liq.
Sizeier Inv.(7/8/8&2/24/9)	B	SC	LA	Buy to 16#	Nat. RityLP(1/13/9)	NR	APT/SC	SW/MW	Buy to 9
Uld.Dom.(4/21/9)	A	APT	VA,NC	Buy to 19	SW Rity.(12/9/8&1/27/9)	D	APT	TX	Buy pfd. (PSE)
Washington REIT(4/21/9)	A	OFF/APT	DC	Hold/Buy to 15#	U.S.Home(5/17/9)	C	HSG	NAT	Hold/buy to 2#
Weingarten RL(4/21/9)	A	SC	TX	Buy to 27 28#	Wellis Far.MI(5/13&6/24/8)	C	IND/OFF	SW/W	Hold/buy to 17#
Western Inv.RE(4/21/9)	A	SC	CA	Buy to 18# 19#	HOMEBUILDERS/INCOME PROP. DEVELOPERS/LAND DEVELOPERS				
REITs: FIXED & PARTICIPATING MORTGAGES/LEASEBACKS					Development/Money Market Risks, Price Volatility				
Higher Income, Lower Growth, plus Interest Risk					Amrep Corp.(3/10/9)	C	LAND	NM	Buy to 10
BRT Realty (2/10/9)	B	APT/COM	NE	Hold/Buy to 17	Centex Corp. (5/17/9)	A	HSG/MTLS	NAT	Buy to 37#
*Copley Prop.(6/23/9)	C	IND	W	Buy to 16	Fine Homes (1/13/9)	C	HSG	NAT	Buy to 16
Eastgroup Pr.(12/9/8)	B	OFF/SC	NAT	Buy to 23#	Genl. Dev.(3/10/9)	C	LAND/HSG	FL	Hold/Buy to 14#
*Health CarePr.(6/14/9)	A	MED	NAT	Buy to 29#	Hovnanian Ent.(5/17/9)	B	HSG	NJ,FL	Hold/Buy to 11
*ICM Prop.(6/23/9)	C	OFF	NAT	Buy to 10	Inter.Genl.LP(1/13&2/24/9)	B	LAND/APT	MD,PR	Buy to 8.50
MSA Rity.(7/8/8&2/24/9)	C	SC	MW	Buy to 8#	K&B Home(5/17/9)	A	HSG/CMCL	CA,FR	Hold/Buy to 17#
*Meditrust(6/14/9)	B	MED	NAT	Buy to 18#	Leisure Tech.(5/26/9)	C	RET/HSG	CA,NJ	Hold/Buy to 5#
Mellon PMT(2/10/9)	C	SC	NAT	Buy to 8	Lennar Corp.(5/17/9)	A	HSG	FL	Hold/Buy to 22
Mtg.&Rity.(2/10/9)	B	DIV	NAT	Buy to 18	Major Rity.(11/18&25/8)	Z	LAND/CMCL	FL	(Z)
Mtg.Inv.Plus(12/23/8)	B	OFF	CA	Buy to 8	Newhall Land(1/13/9)	A	LAND	CA	Profit sell/Buy 55#
Presidential RL(11/25/8)	B	APT	NE	Hold/Buy to 12#	Oriole Home(5/26/9)	B	HSG	FL	Hold/Buy to 12#
*Rock Ctr.Prop.(6/23/9)	B	OFF	NY	Buy to 21	Ryland Gr. (5/17/9)	A	HSG/MTG	NAT	Hold/buy to 21#
*Univ.Hlth.RL(6/14/9)	A	MED	NAT	Hold/Buy to 12.50#	Std.Pacific LP(5/17/9)	A	HSG	CA	Buy to 16#
INVESTMENT BUILDERS/INCOME PROPERTY OWNERS/MLPS					Property types: APT=Apartment; CMCL=Commercial; DIV=Diversified; HOT=Hotel/Motoring;				
Faster Growth, Development Risks Plus Higher Price Volatility					HSG=Housing; IND=Industrial; LAND=Land Devel.; MTLS=Motels; MTG=Mortgage; OFF=Office; RACE=Race				
*EOK Green Ac.LP(1/27/9)	B	SC	NY	Buy to 13	track; RET HSG=Retirement housing; SC=Shopping Center; S&L=Savings & loan.				
*Equit.RE Sh.LP(1/13/9)	NR	SC	MI,MN	Buy to 10	Property locations: NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NAT=National.				
Forest City(3/10/9)	B	SC/OFF	NAT	Buy to 55	States are Postal Service code.				
Gould LP (1/9/7)	B	OFF/APT	NE	Hold/Buy to 55#	Buy limits are approx. maximum purchase prices at publication date. Additions or changes underlined;				
Koger Prop.(3/10/9)	A	OFF	SE	Buy to 28	Review with comment dates in paren. Reviewed in June issues. # Stock selling above limit price.				
Perini Inv.(3/24/9)	B	OFF/IND	NAT	Buy to 17	Z=No advice; Audit affiliate involved in pending transaction. Offer - Stock offer pending				

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Portfolio Selector Changes:

Purchase limits are raised for numerous stocks underlined on page 2. Noteworthy changes:

Forest City Enterprises (FCE:A:ASE), Cleveland based major urban investment builder, limit is increased to 55 from 42 on news that New Jersey investors Steven Roth and Russell B. Wight Jr., operating thru Interstate Properties, Inc., asked Federal regulators to let them buy up to 15% of FCE. The group owns the equivalent of 4.7% of FCE's Class A stock. Reasoning behind the move isn't clear since the founding Ratner family owns about 70% of FCE. But Roth is one of the shrewdest real estate buyers we know, and if he's an FCE buyer in the mid-50s, we'd go along.

Federal National Mtg. Assn. or Fanny May (FNM:NYSE), the quasi-government company that provides a secondary market for Federally insured mortgages, limit is raised to 90 reflecting FNM's newly demonstrated ability to sustain profits amid money market gyrations, the result of massive portfolio and financial restructuring the past few years. We have been saying FNM could become a classic growth stock, and the market agrees.

We've placed our footnote "Z" indicating that Audit's investment banking affiliates are involved in advising some aspect of pending transactions on: **B.B. Real Estate**, proposed to be merged into California REIT; and for **Bradley Real Estate**, which received and rejected an offer to purchase Bradley's assets from The Flatley Co., Braintree, Mass. real estate developer. The same symbol is added to **Major Realty Corp.**, which received and did not act upon an offer to be acquired by Central Realty Investors.

APPRAISED ASSET VALUE		COMPARISONS	
	DATE	APPRAISED VALUE/ SHARE	% PRICE TO APP. VALUE

QUALIFIED REITS

ANGELL REAL EST#	3/89	\$16.04	-31.4%
BRE PROPERTIES #	7/88	\$35.50	-15.1%
BURNHAM PAC PROP#	12/88	\$18.50b	2.7%
CEDAR INC FUND I#	12/88	\$ 8.63	-39.2%
COPLEY PROPS #	12/88	\$23.37	-32.1%
DUKE RLTY INVST #	12/88	\$ 8.44	-33.4%
FEDERAL REALTY#	12/88	\$21.50b	12.8%
FIRST UNION RE#	12/88	\$26.25b	-25.2%
GRUB&ELLS REIT	12/88	\$ 9.36	-25.2%
HRE PROPERTIES #	10/88	\$27.50b	-15.0%
INTL INCOME PR#	12/88	\$19.17	-24.4%
IRT PROPERTY CO#	12/88	\$16.00b	-10.9%
MSA REALTY CORP #	12/88	\$13.05	-30.1%
NEW PLAN RLY TR#	7/88	\$16.27	-0.9%
PENN REIT#	8/88	\$26.00b	-10.6%
PRU RL CAPITAL #	12/88	\$ 2.43	-48.6%
SANTA ANITA	12/88	\$27.82	11.4%
SIERA CAP RLY IV#	12/87	\$ 7.88	-35.0%
SIERRA RE EQ83#	12/87	\$10.11	-32.0%
SIERRA RE EQ84#	12/87	\$ 8.40	-22.6%
TRAML CROW REI#	12/88	\$11.46	-49.8%
USP RL EST INV#	12/88	\$ 9.44	-27.2%
UTD DOMINN RLY#	12/88	\$20.50b	-12.2%
WASH RE (WRIT)#	12/88	\$17.00b	16.9%
WEINGARTEN RLY#	12/88	\$23.00b	23.4%
WESTERN INV RE#	12/88	\$19.00b	-1.3%
AVERAGE			-17.5%

OPERATING COMPANIES

BAY FINCL CORP	5/88	\$26.02	-63.5%
EQK GRN ACRES LP#	12/88	\$13.93	-10.3%
FORUM RET PFD UN#	12/88	\$11.08	-51.5%
MAJOR REALTY	9/87	\$22.00	-41.5%
MONY RL EST INV	5/88	\$10.34a	-19.0%
NEWHALL LAND	12/88	\$48.48	26.3%
PERINI INV PR#	3/89	\$26.09	-34.8%
ROUSE CO#	12/88	\$30.65	-5.4%
SOUTHWEST RLTY#	2/89	\$ 3.70	-78.0%
AVERAGE			-30.8%

Appraised market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by Trust.

EQM

PMP 20.90b

LSC 11.40

MHP 26.00

LQP 15.75b

RED 17b

COPLEY PROPERTIES, INC. (COP:ASE) RANK C

COP is a developmental participating-mortgage REIT that primarily invests in lucrative (hence riskier) to-be-built industrial and corporate park properties via participating mortgage joint ventures. COP lowers risk by using a hands-on approach in ventures with carefully screened local developers, and by building properties in phases in tune with market demand. COP is advised by Copley Real Estate Advisors, affiliate of New England Life and the nation's fourth largest property investor with \$13.2 bil. in invested assets. We drop to C Rank.

Gut Issue: With cash flow not supporting COP's dividend, can it maintain current payout? For assuming development risk, COP typically receives a preferred return from 10.0% to 12.5% on its development loan, plus an option for 50%-60% of equity in the property or joint venture at pre-negotiated prices. COP's strategy is to fund essentially all hard land and improvement costs, so as to buy at wholesale cost. When buildings are leased, COP plans to recover its loans by

refinancing properties with third-party lenders.

Today slow leasing at some properties is hurting cash flow. For example, at University Business Center, in Santa Barbara, Calif., the first phase is 90% leased and phase II is 62% leased. In March COP closed a \$13 mil. loan with a third-party lender secured by two buildings, but \$4.5 mil. was converted to equity (hence not earning a specified return) and held by the joint venture for development costs. COP projects an 11.5% total return on its investment in this project, but moving \$4.5 mil. from a 12.5% loan status to equity could slice \$0.035/qr. from COP's cash flow.

At 79,000 sq. ft., Los Angeles Corp. Center, COP funded \$907,000 to make final tenant improvements to the 50% of space leased to the Los Angeles Community Development Commission. But COP is still searching for a tenant to take the remaining space which is a cash drain, since the interest reserve on this project ended in June 1988.

Continued from page 1

—Southmark Corp.

(SM:NYSE) told creditors it doesn't expect to have the \$264 mil. needed for bond principal payments due in Nov., even after planned asset sales. SM is expected to present a plan to swap new equity for \$1.16 bil. bonds outstanding at a scheduled July 6 meeting. With SM common now trading at \$0.47/sh., common equity is worth only \$21 mil. at market. SM bonds have plunged 37% since mid-May and the bonds and notes are worth \$317 mil. at market, or an average 27% of par. Even SM's senior looks chancy now; avoid.

—Among REITs, MGI

Properties (MGI:NYSE), an equity REIT which acquired smaller Turner Equity Investors last Dec., cut dividends 30% to \$1.12 annual rate. MGI stock held at \$14.75 on the news, indicating the cut was already discounted (see RSR, Apr. 28). We are reducing MGI shares to B Rank and continue MGI in Portfolio Selector (p. 2) as a recovery candidate, and possibly a takeover candidate at current prices. MGI's 17% price decline since Jan. 1 means MGI couldn't raise new capital anytime soon.

Arizona Land Income Corp.

(AZL:ASE), a Phoenix-based REIT investing in mortgages on Arizona land but not followed in RSR, cut payout 23% to \$0.23/qr. (\$0.92 annual rate), citing collection problems on two loans.

However sliced, we see a long recovery for real estate in general. Seasoned equity REITs and investment builders have shown ability to grow during recent bad times and represent best values today.

LQP 15.75b

RED 17b

COP 62.389

MHP 26.00

LQP 15.75b

RED 17b

And at 188,635 sq. ft. R&D Metro Business Park in Phoenix, current cash flow at the project is currently being diverted into a reserve in order to cover potential vacancies and tenant concessions when 90% of space rolls over by 1990 in the soft Phoenix market. COP reports overall 86% occupancy at completed projects at end of March, down 1% in the qtr.

EPS, CFS and dividends: First quarter EPS is off 27% to \$0.19 per share and CFS fell 21% to \$0.21 per share. COP projects 1989 cash flow at \$1.55/sh., down 10.4% due to slower leasing and higher interest. COP has held its dividend at \$0.42/share per quarter (\$1.68 annualized) but we doubt it can be maintained at this level for very long with current leasing performance. We feel reduced cash flow for the balance of 1989 could force COP to lower payout over the next year.

COP's \$74.2 mil. real estate investments are: 51% construction loans; 42% equity in joint ventures; 6% mortgage loans; and 2% land/options. COP has \$9.2 mil. unfunded commitments.

Current value: At Dec. 31, 1988 COP received an in-

dependant appraisal of \$23.37 per share, assuming COP exercises its equity options.

Advice: Wait or hold for longer-term turn around.

The key to COP's near-term success is strong leasing activity and development of expansion space in strong markets. Current investors should be willing to ride shares down on any future dividend cut, as the bottom of the real estate cycle nears. (MJH)

COP-ASE Rank C Dec. years 4.01 mil. shares.
Price: \$15.88 Div. \$1.68 Yld. 10.6%

Year	Op.EPS	Op.CFS	Div.	High	Low	Yld.Range
1985	\$0.62a	\$0.68a	\$0.69a	\$19.75	\$16.00	NM - NM
1986	1.36	1.63	1.65	20.00	16.38	10.1-8.3%
1987	1.06	1.80	1.68	22.88	14.63	11.5-7.3
1988	0.94	1.73	1.68	20.00	16.75	10.0-8.4z
1989E	0.85	1.50	1.62	18.25	15.25z	

a-began operations 5/85. z-To date.

Finances: Debt: \$6.8 mil. Equity: \$67.5 mil. or \$16.84 sh. Debt/Equity Ratio: 0.1 -1.

Address: 399 Boylston St., Boston, Mass. 02116. (617) 578-1200.

END62389 ICM PROPERTY INVESTORS INC. (ICM:NYSE) RANK C

ICM is an equity-financing REIT that invests in both debt and equity positions, individually and thru joint venture partnership, in office properties. Soft leasing markets have hurt and complex accounting obscures results. Our Rank falls to C.

Gut Issue: With distributable cash falling, the market may be bracing for another dividend cut. ICM's distributable funds (defined as taxable income plus depreciation) fell 30% in the March 1989 qtr. to \$0.21/sh., or a \$0.13/sh. shortfall to the \$0.34 dividend. Part of this decline traced to changes in ICM's complex joint venture format at two properties reducing ICM's higher-earning mortgage investment and increasing its lower-earning equity investment. Unless cash flow turns around, we cannot see distributable funds (CFS) reaching more than the \$0.85-\$1.00/sh. range in 1989, suggesting a further cut in the payout sometime this year.

The properties in question are 252,000 sq.ft. Maitland Colonnades in Orlando, Fla. and 152,000 sq.ft. Texas Bank North in San Antonio. Each building completed major leases recently bringing occupancy to 90% and 82% respectively. But the two properties do not appear to be cash-flow positive yet.

Obscure results. Because some ICM properties are classed as joint ventures under general accounting principles, mortgage interest paid to ICM by ventures is reported as reduction in investment, not income. On a cash flow basis, ICM uses this cash for dividends (after adjusting for tax differences). The differences are striking: ICM reported losing \$0.73/sh. in 1988 and \$0.06 in the Mar. qtr. under general accounting principles, while distributable funds (cash flow) were a positive \$1.18 and \$0.21/sh. respectively. As ICM properties lease up, this spread should disappear and the numbers converge — but this may be a long way away. Nonetheless, the accounting system repels investors by obscuring how ICM is doing.

One way to measure ICM's progress is by property oc-

cupancy. ICM began reporting leasing percentage for each individual investment property nearly two years ago and also has stripped the mystery from rental concessions in today's office market by reporting differences between amounts of space leased. The current numbers: All properties are 86% leased at Mar. 1989, vs. 75% when we looked last Sept. 30. Rent concessions have burned off and 71% of space is rent-paying, vs. 63% last Sept. 30.

What's ICM worth? But if ICM is laboring as an income/cash flow vehicle, investor attention inevitably focuses on what it's really worth. ICM's \$118.9 mil. portfolio gives it interests in 11 offices with 1.34 mil. sq. ft.; investments divide 45% unconsolidated joint venture partnerships (ICM investment: \$2.4 mil. equity, \$50.9 first mortgages); 33% consolidated joint ventures (Maitland and Texas Bank North); and 22% wholly-owned properties.

The impression is that because its properties are leasing slowly, ICM's shares may not be worth their \$14.06/sh. net equity plus accumulated depreciation. We've measured ICM's properties against some benchmark current property value data and conclude that ICM could be worth \$13/sh. in a worst case to \$18/sh. on the high side.

Advice: We retain shs. in Portfolio Planner; they are buys on dips below \$10, especially if dividend is cut. (KDC)

ICM-NYSE Rank C Dec. years 5.65 mil. shs.
Price: \$9.88 Div. \$1.36 Yld. 13.8%

Year	Op.EPS	Op.CFS	Div.	High	Low	Yield
1985	\$1.19	NM	\$1.21	\$19.75	\$14.13	6-9%
1986	0.67	\$1.43	1.39	16.25	13.25	9-11
1987	d0.90a	1.25	1.48	15.50	8.00	10-19
1988	d0.73	1.18	1.36	11.50	8.50	12-16
1989E	NE	0.85-1.00	1.00	10.50	8.63z	

a-Incl. \$0.73/sh. investment writedown. z-To date

Finances: Debt: \$50.1 mil.; Eq: \$73.3 mil.; dep: \$3.8 mil.; total equity + deprec.: \$14.06/share. Debt/eq. 0.78-1
Address: 600 Third Ave., New York, N.Y. 10016. Phone: (212) 986-5640.

END62389 ONE LIBERTY PROPERTIES, INC. (OLP:ASE) RANK B

Started to buy a package of 40 retail stores net leased to Firestone Tire, OLP passed management control to Gould Investors, L.P. in June after a protracted dialogue. OLP now hopes to raise new capital and make net leases based more on the value of properties than on the credit rating of the lessee. We are holding B Rank.

Gut issue: Can OLP's new business plan boost

return to common shareholders? The answer hinges upon two intertwined actions:

First, should you exchange OLP common for a new preferred? OLP is currently offering existing shareholders, other than Gould which owns 39.9% of OLP shares, the right to exchange each common share for a new share of a \$1.60 cumulative convertible preferred. The \$1.60 pref would have

\$16.50 liquidation preference, convert into 0.825 common share (i.e., at \$20/common), have one-half vote per share, and carry the option to put the stock to OLP at \$16.50 in 10 years.

The new pref would effectively leverage OLP's existing unleveraged equity base at an effective 9.7%, the exact leverage depending upon the number of shareholders opting for the new pref. Here is how adjusted common earnings (excluding 1988's special costs), book value, and common shares out would look assuming various percentages of shareholders take the new pref:

	Adjusted 30.0% Accept	60.1% Accept	
Adjusted common EPS	\$1.31/sh.	\$1.19/sh.	\$0.88/sh.
Book value/common sh.	\$12.74	\$10.41	\$ 5.82
Common shares out (Th.)	2,203	1,541	880

Based on these numbers we expect OLP common to pay a much lower dividend than the current \$1.60 annual rate once the exchange offer ends. And shares could well drop sharply in market price until success of OLP's new business plan becomes clearer. Because of these dynamics, we suggest conservative, income oriented investors take the pref, while capital-gains oriented investors will hold the common.

Second, can OLP boost return on equity by leveraging? OLP has been earning and paying about 9.9% on shareholders' equity (altho return fell to 9.0% in 1988 because of litigation settlements and before financial advisory costs). Previous attempts to boost return were hurt by limited returns on credit leases (which track bond rates) and OLP's rules limiting borrowing to 50% of equity (and 33% of equity for unsecured

debt). As part of OLP's new tack, it may now borrow up to 300% of net assets, including any newly created preferred stock under the exchange.

Can Gould open this new business line profitably? Five years ago Gould management took over a broken-down mortgage REIT and converted it into one of the largest and most successful short-term mortgage trusts, BRT Realty Trust (BRT:NYSE). In 1986 it converted an equity REIT into Gould Investors L.P. (GLP:ASE) which owns offices and shopping centers in Manhattan and other cities. One part of the GLP restructuring involved a debenture exchange which ended cash dividends on old GLP common. GLP management has extraordinarily real estate sense and should be able to pull off their incursion into net leases via OLP.

Advice: New purchases should be deferred until results of the exchange are known and OLP's new business mix and dividend become clearer. Existing holders will act as advised above. (KDC)

OLP: ASE Rank B Dec. yrs. 2.20 mil. shs.
Price: \$14.38 Div.: None till exchange closes Yld.: NA%

Yr.	Oper. EPS	Div.	High	Low	Yld. Range
1986	\$1.36	\$1.72	\$18.13	\$14.38	12.0-9.5%
1987	1.24	1.34	17.38	10.13	13.2-7.7
1988	0.29a	0.70	16.75	11.00	6.4-4.2
1989E	NE	NE	14.88	12.63z	

a-After \$1.02 financial advisory and litigation costs. z-To date.

Financing: Debt: \$0.05 mil.; Eq: \$27.5 mil.; Deprec.: \$2.3 mil.; Eq. + dep.: equal \$13.52/sh. Debt/eq. ratio: .002-1
Address: 60 Cutter Mill Rd., Great Neck, NY 11021. (516) 466-3100.

ROCKEFELLER CENTER PROPERTIES INC. (RCP:NYSE) RANK B END 62389

RCP, holder of a \$1.3 bil. mortgage convertible (in Dec., 2000) into 71.5% interest in the Manhattan urban center of the same name, went public in Sept. 1985 in a complex deal with massive overhanging dilution. In Dec. 1987 RCP began using some fancy financial footwork to limit this dilution and boost ultimate common share value by repurchasing convertible debt. No debt has been repurchased since June 1988 however. Our Rank of B is maintained.

Gut Issue: Can RCP get cash flow back on track now that interest rates have come down a bit? Since 1987, RCP borrowed \$142.2 mil. to repurchase debentures, seeking to hedge the interest rate risk on the new borrowings. But the rate surge in late 1988 and thru the March 1989 qtr. sent interest costs soaring. As a result, earnings and cash flow suffered during most of 1989 and March EPS before extraordinary gains sagged 19% to \$0.26/sh. Falling rates should boost EPS in the June qtr., although actual rates are down less than investor expectations. We think RCP has enough cushion to maintain the current \$1.84 dividend, and the nontaxable portion (28% last year) should remain about the same unless more debentures are repurchased.

Shrinking dilution. Despite the negative impact of debenture repurchases on EPS, the repurchase program so far has eliminated 21 mil. shs. from the potential 72.16 mil. conversion shares overhanging RCP common. This will help ultimate workout value of RCP shares. But overseas markets, where the RCP convertibles and zeroes are traded, have quickly caught on to RCP's strategy and this purchase window may not open anytime soon. Thus we think investors today have to value RCP without benefit of any additional debenture repurchases.

Repurchases have already increased ultimate ownership percentage for outstanding common shares by 8%, from 34.2% to 42.3%. RCP has now bought 15% of \$335 mil. of current coupon debentures convertible at \$11.82; and 38% of \$952.25 mil. face amount zero coupon debentures convertible at

\$21.71 into 43.86 mil. shs. But debenture repurchases halted after mid-1988 and current prices probably preclude any new buys for awhile.

RCP's ultimate value still hinges upon appreciation at the underlying Rockefeller Center in mid-Manhattan. The 6.2 mil. sq. ft. complex was 98.4% occupied at Mar. 31, vs. about 87% for midtown Manhattan, and new rents run \$40-\$45/sq. ft. The Center has signed a long-term lease assuring NBC's continued tenancy at about 91% of rents projected in RCP's 1985 offering. The Center's negative cash flow is diminishing. All this means the Center is performing more or less as projected in an overbuilt office market.

RCP's appraised value had been rising at about 5% annually, but appreciation slowed to 2.25% in 1988. With Manhattan office construction moving west to Times Square, demand for prime space in the Rock Center area should remain strong. We think this translates into longer-term value gains in the 5%/yearly range — or enough to give RCP a value of about \$25.50 in 2000 for a 10.36% real return over the next 11 years for very long-term investors.

Advice: We continue to see RCP common as an opportunity to earn well above premium property returns on a world-class property. (KDC)

RCP-NYSE Rank B Dec. years. 37.5 mil. shs.
Price: \$19.25 Div. \$1.84 Yld. 9.6%

Yr.	Op. EPS	CFS	Div.	High	Low	Yield
1985	\$0.35b	\$0.50	\$0.44	\$20.38	\$17.50	9-10%
1986	1.26	1.73	1.76	22.13	17.88	8-10
1987	1.22a	1.83	1.80	22.50	14.25	8-13
1988	1.19a	1.65	1.84	20.38	17.38	9-11
1990E			1.84	19.63	18.50z	

a-Plus debt repurchase gains: '87-\$0.11; '88-\$0.13. z-To date. b-From Sept. 19, 1985.

Finances: Debt: \$816.9 mil.; Equity: \$634.4 mil. equals \$16.91/sh.

Address: 1166 Ave. of Americas, New York 10036. (212) 841-7760.

RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE FROM MAY 24 JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BK	MKT VAL MIL \$		
B	AMER HEALTH PROP# (06/14/89)	NY-AHE	2	11109	18.67	2.20 MAR	2.22	20.00	-1.8	11.9	9.0	11.0	7.1	11.9	222.2
*	AMER SW MTG INVMT (01/27/89)	AS-ASR	4	14326	9.77	0.36 S MAR	1.21 D	4.00	3.2	-51.5	3.3	9.0	-59.1	12.4	57.3
C	AMERICAN REALTY (02/10/89)	NY-ARB	4	21728	6.58	0.72 SEP	1.86	4.25	-2.9	-5.6	2.3	16.9	-35.4	28.3	92.3
*	F-ANGELES FINC TRST	AS-ANF	4	1051	17.82	2.32 D DEC	1.89 U	15.75	1.6	7.7	8.3	14.7	-11.6	10.6	16.6
B	ANGELL REAL EST# (06/14/89)	NY-ACR	2	3622	13.30\$	1.52 S MAR	1.70	11.00	1.1	35.4	6.5	13.8	-17.3	12.8	39.8
C	ASSET INVESTORS (09/09/88)	NY-AIC	4	13892	14.73	1.00 D MAR	2.20	8.75X	5.9	-22.2	4.0	11.4	-40.6	14.9	121.6
*	B-B RL EST INV# (12/23/88)	AS-BBR	1	6412	6.52	0.17 DEC	0.18	3.38X	1.3	-3.6	18.8	5.0	-48.2	2.8	21.6
*	BODDIE-NOEL PROP#	AS-BNP	2	2850	11.40	1.36 MAR	1.35	13.38	0.9	0.9	9.9	10.2	17.3	11.8	38.1
Z	BRADLEY RL EST# (07/08/88)	OC-BRLYS	1	3360	5.10	0.68 S DEC	0.54	13.63X	0.3	0.9	25.2	5.0	167.2	10.6	45.8
A	BRE PROPERTIES# (07/08/88)	NY-BRE	1	7876	19.56\$	2.40 S JAN	2.37	29.88X	3.3	-2.8	12.6	8.0	52.7	12.1	235.3
B	BRT REALTY (02/10/89)	NY-BRT	4	7334	14.50	2.48 MAR	2.49	16.00X	0.7	-14.7	6.4	15.5	10.3	17.2	117.3
B	BURNHAM PAC PROP# (04/21/89)	AS-BPP	1	5860	14.58\$	1.36 S MAR	1.35	19.00X	3.8	1.3	14.1	7.2	30.3	9.3	111.3
B	P-CALIF JOCKEY CLUB (08/12/88)	AS-CJ	1	5773	4.35	0.95 MAR	0.72 D	18.00X	2.1	14.3	25.0	5.3	313.8	16.6	103.9
Z	CALIFORNIA REI (03/11/88)	NY-CT	1	4986	6.91	0.40 MAR	-0.03	4.25	-5.6	-26.1	0.0	9.4	-38.5	-0.4	21.2
*	F-CEDAR INC FUND I#	OC-CEDR	1	1440	8.54\$	0.50 MAR	0.41	5.25	-4.5	-22.2	12.8	9.5	-38.5	4.8	7.6
B	CENVILL INVSTR (02/10/89)	NY-CVI	3	6883	12.66	1.60 MAR	1.73	12.00X	-10.6	-23.2	6.9	13.3	-5.2	13.7	82.6
B	CHICAGO DOCK&CANL (03/10/89)	OC-DOCKS	1	5784	6.34	0.24 S JAN	-0.16	26.00	-1.0	5.1	0.0	0.9	310.1	-2.5	150.4
C	CLEVESTRUST RLTY# (08/12/88)	OC-CTRIS	1	1968	18.36	0.00 MAR	0.45 U	5.75	4.5	24.3	12.8	0.0	-68.7	2.5	11.3
*	COLUMBIA RE INVST (09/09/88)	AS-CIV	4	5510	9.33	0.88 MAR	0.91 D	7.25X	3.0	9.4	8.0	12.1	-22.3	9.8	39.9
B	COLUMBIA PROPS# (06/23/89)	AS-COP	3	4008	16.84\$	1.68 MAR	1.71 D	15.88	1.6	-8.6	9.3	10.6	-5.7	10.2	63.6
C	COUNTRYWIDE MTG (09/09/88)	NY-CWM	4	13645	8.11	0.80 MAR	0.90	5.50	0.0	2.3	6.1	14.5	-32.2	11.1	75.0
A	COUNSINS PROPS (03/10/89)	OC-COUS	1	17303	6.24	0.60 MAR	0.55	18.50	-10.8	20.3	33.6	3.2	196.5	8.8	320.1
*	F-CRI INS MTG II	NY-CII	4	8536	15.30	2.13 MAR	1.46	13.75	25.0	-0.9	9.4	15.5	-10.1	9.5	117.4
*	DEL-VAL FINCL	NY-DVL	4	5910	10.76	1.56 U MAR	1.83 U	17.25X	3.1	3.8	9.4	10.8	60.3	17.0	67.4
B	DIAL REIT INC# (07/08/88)	OC-DEAL	1	3822	17.43	1.68 U MAR	1.72	18.75X	5.0	5.6	10.9	9.0	7.6	9.9	71.7
*	DUKE RLTY INVST# (10/28/88)	NY-DRE	1	8594	7.23\$	0.68 DEC	0.63	5.63	4.7	0.0	8.9	12.1	-22.2	8.7	48.3
B	EASTGROF PROPS (12/09/88)	AS-EGP	1	2530	21.55	2.60 S MAR	5.42	24.75	10.0	15.1	4.6	10.5	14.8	25.2	62.6
B	EASTOVER CORP	OC-EASTS	3	1146	14.94	1.60 MAR	2.67	13.00	0.0	-13.3	4.9	12.3	-13.0	17.9	14.9
*	EMERALD MTG INVST (09/23/88)	NY-EIC	4	8750	9.49	0.00 MAR	1.10	4.38	29.6	-44.4	4.0	0.0	-53.9	11.6	38.3
A	FEDERAL REALTY# (04/21/89)	NY-FRT	1	13896	10.18\$	1.40 MAR	1.57	24.25X	4.7	14.8	15.4	5.8	138.2	15.4	337.0
*	FIRST COMTNL REIT	OC-FCRES	4	5103	2.80	0.00 FEB	-0.81 U	0.50	-33.3	-20.0	0.0	0.0	-82.1	-28.9	2.6
A	FIRST UNION RE# (04/21/89)	NY-FUR	1	17683	8.89\$	1.50 S MAR	1.47	19.63	0.0	7.5	13.4	7.6	120.8	16.5	347.0
B	GOLDEN CORRAL# (07/08/88)	OC-GCRA	2	1480	9.34	1.00 MAR	1.09 D	8.25	-10.8	0.0	7.6	12.1	-11.7	11.7	12.2
B	F-GRUB&LLS REIT (10/09/87)	OC-GRIT	5	2500	8.94\$	0.64 MAR	0.55	7.00	1.8	9.8	12.7	9.1	-21.7	6.2	17.5
A	HEALTH CARE PRP# (06/14/89)	NY-HCP	2	9180	22.28	2.81 MAR	2.96	29.25	8.3	13.0	9.9	9.6	31.3	13.3	268.5
B	HEALTH CARE REIT (06/14/89)	AS-HCN	4	6026	12.11	1.60 MAR	1.70	14.38	0.9	21.1	8.5	11.1	18.7	14.0	86.6
B	HEALTHVEST# (06/14/89)	AS-HVT	2	11320	20.22	2.68 MAR	2.66 D	16.00	-0.8	-8.6	6.0	16.8	-20.9	13.2	181.1
C	HLTH & REHAB PRP# (06/14/89)	NY-HRP	2	9998	8.77	1.12 MAR	1.15 U	9.13	7.4	7.4	7.9	12.3	4.0	13.1	91.2
C	HMG/COURTLND PROP (10/28/88)	AS-HMG	1	1216	19.62	0.60 S MAR	-1.84 D	10.38X	-0.9	-17.0	0.0	5.8	-47.1	-9.4	12.6
C	F-HOLLYWOOD PK RLTY (02/24/89)	OC-HTRFZ	1	3956	0.70	0.00 MAR	-3.26 D	27.00	0.9	28.6	0.0	0.0	3757.1	-465.7	106.8
B	F-HOTEL INVESTORS# (12/23/88)	NY-HOT	1	12129	15.83	1.00 DEC	0.82	9.13	-3.9	-1.4	11.1	11.0	-42.4	5.2	110.7
C	HRE PROPERTIES# (04/21/89)	NY-HRE	1	5989	24.89\$	1.80 S JAN	1.79	23.38	2.2	8.7	13.1	7.7	-6.1	7.2	140.0
B	ICM PROP INVSTR# (06/23/89)	NY-ICM	3	5476	14.07	1.36 DEC	1.18	9.88	6.8	3.9	8.4	13.8	-29.8	8.4	54.1
B	F-INCOME OPP RLTY# (12/24/87)	AS-IOT	3	3692	16.52	0.60 S SEP	0.40	8.75X	7.9	11.1	21.9	6.9	-47.0	2.4	32.3
A	INTL INCOME PR# (04/28/89)	AS-IIP	1	15736	9.12\$	1.08 DEC	0.86	14.50	-0.9	9.8	16.9	7.4	59.0	9.4	228.2
A	INVG MTG SECS (04/21/89)	OC-INVG	4	682	27.84	1.40 D MAR	-1.74 U	10.50	10.5	23.5	0.0	13.3	-62.3	-6.3	7.2
*	IRT PROPERTY CO# (09/09/88)	NY-IRT	1	12140	9.07\$	1.16 MAR	1.23	14.25	4.0	-3.7	11.6	8.1	57.1	13.6	173.0
*	F-JOHNSTW/CONS RL# (09/09/88)	NY-JCT	3	12280	13.59	0.70 S DEC	-1.44 D	7.00X	-1.0	33.3	0.0	10.0	-48.5	-10.6	86.0
*	KOGER EQUITY INC# (03/10/89)	AS-KE	1	10000	18.82	1.80 MAR	1.87	19.63	1.3	4.7	10.5	9.2	4.3	9.9	196.3
C	L&N HOUSING (05/13/88)	NY-LHC	5	2200	19.42	1.64 MAR	-1.11	13.75X	4.9	-6.0	0.0	11.9	-29.2	-5.7	30.3
*	LANDSING PACIFIC#	AS-LPF	1	6157	19.23	0.80 MAR	0.68 U	8.38	11.7	-5.6	12.3	9.6	-56.4	3.5	51.6
*	LINCOLN NC RL FND	AS-LRF	3	1998	13.25	1.40 S MAR	1.45	9.00	0.0	0.0	6.2	15.6	-32.1	10.3	18.0
*	F-LINERO SPED PROP (10/09/87)	AS-LPO	1	1856	9.06	0.00 MAR	0.05	2.13	-6.3	-19.0	42.5	0.0	-76.5	0.6	3.9
B	LOMAS & NET MTG (02/10/89)	NY-LOM	4	11704	23.43	2.40 MAR	2.40	16.88	6.3	-6.3	7.0	14.2	-28.0	10.2	197.5
C	LOMAS MTG CORP (09/09/88)	NY-LMC	4	8700	20.28	2.00 S MAR	2.29	18.00X	15.6	9.1	7.9	11.1	-11.2	11.3	156.6
*	MEDICAL PROPS#	AS-MPP	2	2369	11.68	1.20 S SEP	1.31	8.75	1.4	14.8	6.7	13.7	-25.1	11.2	20.7
B	MEDITRUST# (06/14/89)	NY-MT	2	15721	15.85	2.12 U MAR	2.01	18.50	7.2	8.8	9.2	11.5	16.7	12.7	290.8
B	F-MELLON PART MTG (02/10/89)	OC-MPHTS	5	8645	9.18	0.92 MAR	0.78 D	7.38	0.0	-1.7	9.5	12.5	-19.7	8.5	63.8
C	MERRY LAND & INV (09/09/88)	OC-MERY	3	9779	6.72	0.00 MAR	0.91	6.00	14.3	-20.0	6.6	0.0	-10.7	13.5	58.7
B	MCI PROPERTIES# (07/08/88)	NY-MCI	1	9425	17.71	1.12 D FEB	1.66	15.00	2.6	-14.9	9.0	7.5	-15.3	9.4	141.4
B	MONMOUTH REIT# (01/27/89)	OC-MNRTS	3	1573	4.41	0.70 SEP	0.52	5.75	4.5	-4.2	11.1	12.2	30.4	11.8	9.0
C	MSA REALTY CORP# (02/24/89)	AS-SSS	3	8647	7.33\$	0.60 S MAR	0.56 D	9.13X	23.7	15.9	16.3	6.6	24.5	7.6	78.9
B	MTG & RLTY TRUST (02/24/89)	NY-MRT	3	10797	16.97	2.00 MAR	1.92	17.38	3.0	2.2	9.0	11.5	2.4	11.3	187.6
B	MTG INVSTMT PLUS# (12/23/88)	AS-MIP	3	9020	8.42	0.80 MAR	0.77	7.50X	-0.6	3.4	9.7	10.7	-10.9	9.1	67.7
C	NATIONWIDE HLTH# (06/14/89)	NY-NHP	2	8195	20.22	1.00 MAR	2.29	13.00	22.4	10.6	5.7	7.7	-35.7	11.3	106.5
A	NEW PLAN RLY TR# (04/21/89)	NY-NPR	1	34190	8.53\$	1.00 JAN	0.87	16.13X	3.1	1.6	18.5	6.2	89.0	10.2	551.3
*	F-NOONEY RLTY TR#	OC-NRTI	1	867	16.63	0.32 DEC	0.14	8.88	18.3	1.4	63.4	3.6	-46.6	0.8	7.7
B	ONE LIBERTY PR# (06/23/89)	AS-OLP	2	2203	13.52	0.00 MAR	0.34	14.50	9.4	1.8	42.6	0.0	7.2	2.5	31.9
A	PENN REIT# (04/28/89)	AS-PEI	1	8199	10.08\$	1.68 FEB	1.68	23.25	8.1	2.2	13.8	7.2	130.7	16.7	190.6
*	PITTS & WVA RR	AS-PW	2	1510	6.07	0.56 MAR	0.55 S	5.88X	4.6	-6.0	10.7	9.5	-3.2	9.1	8.9
B	PRESIDENTL RL-A#	AS-PDL-A	3	479	4.31	1.66 DEC	2.17	12.38X	-0.7	-10.8	5.7	13.4	187.1	50.3	5.9
B	PRESIDENTL RL-B#	AS-PDL-B	3	2801	4.31	1.66 DEC	2.17	12.38X	2.3	-11.6	5.7	13.4	187.1	50.3	34.7
A	PROPERTY TR AMER# (02/24/89)	OC-PTAS	1	5061	10.50	0.84 MAR	0.91	10.00	-1.2	2.6	11.0	8.4	-4.8	8.7	50.6
B	F-PRU RL CAPITAL# (07/08/88)	NY-PRT	1	11135	1.40\$	0.00 ---	0.00	1.25	0.0	0.0	0.0	0.0	-10.7	0.0	13.9
B	F-PRU RL INCOME# (07/08/88)	NY-PRTR	1	11135	8.00	0.68 MAR	0.68 S	6.63	6.0	0.0	9.7	10.3	-17.2	8.5	73.8
*	RAC MTG INVESTMT (09/23/88)	NY-RMR	4	14450	8.49	0.72 MAR	0.76	4.75	-5.0	-41.5	6.3	15.2	-44.1	9.0	68.6
B	REALTY REFUND	NY-RRF	4	1021	18.28	1.72 APR	1.72	14.50	0.9	1.8	8.4	11.9	-20.7	9.4	14.8
C	REALTY SOUTH	AS-RSI	5	2098	11.28	0.68 DEC	0.59	6.38	-5.6	-39.3	10.8	10.7	-43.5	5.2	13.4
A	REIT OF CALIF# (03/11/88)	NY-RCT	1	7325	12.27	1.38 S MAR	1.51 U	16.63	1.5	4.7	11.0	8.3	35.5	12.3	121.8
*	RESIDENTIAL MTG	AS-RMI	4	4220	7.75	0.00 MAR	0.03 D	1.38	-8.3	-56.0	45.8	0.0	-82.3	0.4	5.8
*	F-RESORT INCOME INV (02/10/89)	AS													

RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL	GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE MAY 24	FROM- JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BKX	MKT VAL MIL \$
A	P-SANTA ANITA (04/28/89)	NY-SAR	1	11078	10.79\$	2.08 S	MAR 1.41	31.00	3.8	-4.6	22.0	6.7	187.3	13.1	343.4
*	F-SIERA CAP RLY IV#	AS-SZD	1	7506	7.91\$	0.30 S	SEP 0.40	5.13X	6.7	-8.9	12.8	5.9	-35.2	5.1	38.5
*	F-SIERA CAP RLY VI#	AS-SZF	1	3548	8.13	0.23 S	SEP 0.17	5.63X	-1.8	-23.7	33.1	4.1	-30.8	2.1	20.0
*	F-SIERA RE EQB3#	OC-SETBS	1	3047	7.67\$	0.25 S	SEP 0.36	6.88X	2.8	10.0	19.1	3.6	-10.4	4.7	20.9
*	F-SIERA RE EQB4#	OC-SETC	1	4887	7.57\$	0.10 S	SEP 1.07	6.50	-5.5	18.2	6.1	1.5	-14.1	14.1	31.8
B	SIZELER PROP INV# (02/24/89)	NY-SIZ	1	3716	18.90	1.56 DEC	1.49	15.75	3.3	6.8	10.6	9.9	-16.7	7.9	58.5
C	STORAGE EQUITIES (10/14/88)	NY-SEQ	1	10943	14.63	1.40 MAR	1.02	12.88	0.0	14.4	12.6	10.9	-12.0	7.0	140.9
B C	STRATEGIC MTG (05/13/88)	NY-STM	4	5465	18.46	1.28 S	MAR 1.70	12.75X	7.8	3.0	7.5	10.0	-30.9	9.2	69.7
*	TIS MTG INVSTMT (09/23/88)	NY-TIS	4	8100	9.08	1.20 S	DEC 0.97	8.88	20.3	10.9	9.1	13.5	-2.3	10.7	71.9
C	F-TRAML CROW REI# (07/08/88)	NY-TCR	1	9075	10.96\$	1.26 MAR	1.26	5.75	-8.0	-20.7	4.6	21.9	-47.5	11.5	52.2
A	UNIV HEALTH RLTY# (06/14/89)	NY-UHT	2	7047	13.97	1.44 S	MAR 1.58 U	13.25X	3.7	11.6	8.4	10.9	-5.2	11.3	93.4
B	USP RL EST INV#	AS-URT	1	3880	8.02\$	1.00 MAR	0.49 D	6.88	-1.8	-12.7	14.0	14.5	-14.3	6.1	26.7
A	UTD DOMINN RLY# (04/21/89)	OC-UDRT	1	3296	12.74\$	1.20 S	MAR 1.23 U	18.00	1.4	-0.7	14.6	6.7	41.3	9.7	149.3
*	F-VMS HOTEL INVSTMT	AS-VHT	5	9863	8.75	0.90 MAR	0.70	5.88	0.0	-9.6	8.4	15.3	-32.9	8.0	57.9
*	VMS S/T INCOME	AS-VST	4	6918	9.33	1.16 MAR	1.11	7.50	-3.2	-3.2	6.8	15.5	-19.6	11.9	51.9
*	VMS STRATGIC LAND	OC-VLANS	5	11994	8.59	1.20 MAR	0.97	7.50	-7.7	1.7	7.7	16.0	-12.7	11.3	90.0
A	WASH RE (WRIT)# (04/21/89)	AS-WRE	1	15433	7.24\$	1.00 MAR	1.12	19.88X	0.6	-5.4	17.7	5.0	174.5	15.5	306.7
*	WEDGESTONE FINCL (02/10/89)	NY-WDG	4	5795	6.15	0.00 MAR	-2.24	2.75	15.8	0.0	0.0	0.0	-55.3	-36.4	15.9
A	WEINGARTEN RLY# (04/21/89)	NY-WRI	1	13984	13.70\$	1.76 DEC	2.53	28.38X	2.5	10.7	11.2	6.2	107.1	18.5	396.8
C	WELLS FARGO M&E (05/13/88)	NY-WFM	3	6730	15.64	1.50 MAR	-1.52	18.50	1.4	8.0	0.0	8.1	18.3	-9.7	124.5
A	WESTERN INV RE# (04/21/89)	AS-WTR	1	11969	13.30\$	1.34 DEC	1.39	18.75	0.0	5.6	13.5	7.1	41.0	10.5	224.4
COMPANIES AND BUSINESS TRUSTS															
*	ABRAMS INDS INC	OC-ABRI	10	2234	7.54	0.27 U	APR 0.64 U	6.75X	13.6	22.7	10.5	4.0	-10.5	8.5	15.1
*	LP-AMER INS MTG 84	OC-AIMAZ	9	10000	19.38	1.50 DEC	2.18	16.23	2.3	5.7	7.5	2.2	-16.2	11.2	162.5
C	LP-AMER RE PARTNERS (01/13/89)	NY-ACP	8	14654	17.27	2.00 S	MAR 1.78	14.63	0.0	-3.3	8.2	13.7	-15.3	10.3	214.3
*	AMERICANA HOTEL (04/08/88)	NY-AHR	L	4920	17.79	8.00 U	MAR 1.27 D	14.63	4.5	11.4	11.5	54.7	-17.8	7.1	72.0
C	AMREP CORP (03/10/89)	NY-AXR	7	6609	10.18	0.00 JAN	0.19	8.13	-1.5	4.8	42.8	0.0	-20.2	1.9	53.7
*	ANGELES CORP	AS-ANG	11	3282	5.46	0.00 MAR	-0.39	7.00	16.7	21.7	0.0	0.0	28.2	-7.1	23.0
C	BAY FINCL CORP (06/10/88)	NY-BAY	8	3851	2.70\$	0.00 MAR	-9.93	9.50	-6.2	-18.3	0.0	0.0	251.9	-367.8	36.6
C	LP-BURGER KING INV # (01/13/89)	NY-BKP	8	4635	17.59	1.80 MAR	1.81	14.88X	3.0	12.3	8.2	12.1	-15.4	10.3	68.9
C	LP-CAL FED INC PTNR# (01/13/89)	NY-CFI	8	13020	7.71	1.00 DEC	0.27	7.63	3.4	15.1	28.2	13.1	-1.1	3.5	99.3
C	CALPROP CORP	AS-CPP	7	4183	9.25	0.00 MAR	1.07	8.75	7.7	14.8	8.2	0.0	-5.4	11.6	36.6
C	CALTON INC (06/10/88)	NY-CN	7	23640	2.82	0.00 FEB	0.45	2.50	0.0	-16.7	5.6	0.0	-11.3	16.0	59.1
*	CENTENNIAL GROUP (07/24/87)	AS-CEX	10	26200	5.64	0.00 MAR	0.18 U	2.13	-10.5	-37.0	11.8	0.0	-62.3	3.2	55.7
A	CENTEX CORP (05/17/89)	NY-CTX	6	14456	25.79	0.40 MAR	2.64	36.50X	6.9	24.8	13.8	1.1	41.5	10.2	527.6
*	CHAMPION ENTPRS	AS-CHB	12	7215	6.30	0.00 FEB	-1.00	3.88	-3.1	3.3	0.0	0.0	-38.5	-15.9	28.0
C	CHRISTIANA COS	NY-CST	7	5192	5.29	0.00 MAR	-0.11 U	9.00	-4.0	44.0	0.0	0.0	70.1	-2.1	46.7
B	CLAYTON HOMES	NY-CMH	12	16151	5.04	0.00 MAR	0.94	8.88	2.9	4.4	9.4	0.0	76.1	18.7	143.3
*	LP-CMNWLTH MTG AM-A	NY-CMA	9	35000	0.19	0.00 MAR	-1.14	0.63	-9.2	-68.8	0.0	0.0	228.9	-600.0	21.9
*	COMMONWLTH MTG CO	OC-CCMC	9	5865	4.23	0.00 JAN	0.49	7.75	-1.6	169.6	15.8	0.0	83.2	11.6	45.5
*	CONGRESS ST PROPS	OC-CSTP	10	1090	12.43	0.00 FEB	-0.56	6.00	-5.9	-5.9	0.0	0.0	-51.7	-4.5	6.5
*	F-CONSOL CAP INCOME (03/24/89)	OC-CCITS	L	11362	10.00	0.00 DEC	-4.14 D	3.50	-22.2	-22.2	0.0	0.0	-65.0	-41.4	39.8
*	CONSOL CAP RLTY	OC-CCPLS	L	5966	2.54	0.00 FEB	-2.20 D	0.38	-25.0	-66.7	0.0	0.0	-85.2	-86.6	2.2
*	F-CONSOL CAP SPECI (03/24/89)	OC-CCSTS	L	11485	8.88	0.00 DEC	-1.72 D	3.00	-14.3	-29.4	0.0	0.0	-66.2	-19.4	34.5
C	CONTL HMS HOLDING	OC-COH	7	3515	7.17	0.00 FEB	0.59	4.56	7.4	21.7	7.7	0.0	-36.4	8.2	16.0
B	COUNTRYWIDE CRDIT (02/24/89)	NY-CCR	9	16745	6.48	0.28 U	MAY 0.73 D	8.00	16.4	25.5	11.0	3.5	23.5	11.3	134.0
D	COVINGTON DEVLPMT	OC-COVT	7	13902	0.52	0.00 DEC	0.19	1.25	29.0	150.0	6.6	0.0	140.4	36.5	17.4
*	LP-CRI INS MTG INV	NY-CRM	9	9100	11.81	1.20 S	MAR 3.15	11.88	10.5	-7.8	3.8	10.1	0.6	26.7	108.1
D	DELTONA CORP	NY-DLT	7	5579	4.60	0.00 MAR	-0.07	4.50	-2.7	-10.0	0.0	0.0	-2.2	-1.5	25.1
*	LP-EMERALD HOMES LP	NY-EHP	7	5225	6.17	0.80 S	MAR 1.63	7.13	26.7	-16.2	4.4	11.2	15.5	26.4	37.2
B	LP-EQX GRN ACRES LP# (01/27/89)	NY-EGA	8	10173	8.18\$	1.25 U	MAR 1.26 U	12.50	2.0	-1.0	9.9	10.0	52.8	15.4	127.2
*	F-EQX RLTY INV I # (02/24/89)	NY-EKR	L	7589	14.10	0.00 MAR	1.57 D	11.75	-10.5	9.3	7.5	0.0	-16.7	11.1	89.2
*	LP-EQUITABLE RE SC # (01/13/89)	NY-EQM	8	10700	8.15	1.04 S	MAR 0.63	8.50	-22.9	-4.2	13.5	12.2	4.3	7.7	91.0
D	EQUITEC FNCL GP (09/11/87)	NY-EGF	11	4952	2.27	0.00 DEC	-3.41	2.00	-11.1	-23.8	0.0	0.0	-11.9	-150.2	9.9
C	FAIRFIELD COMM (03/10/89)	NY-FCI	7	10930	9.57	0.00 MAR	0.29	6.50	4.0	6.1	22.4	0.0	-32.1	3.0	71.0
*	FARRAGUT MTG CO	OC-FARR	9	5150	0.01	0.00 MAR	-0.77 D	0.38	0.0	-33.4	0.0	0.0	3650.0	0	1.9
A	FED NATL MTG (02/10/89)	NY-FNM	9	78662	26.52	1.28 MAR	7.15	88.63	8.2	74.6	12.4	1.4	234.2	27.0	6971.4
C	LP-FINE HMS INTRNTNL (01/13/89)	NY-FHI	11	7785	5.94	2.25 S	MAR 1.26	15.88	3.3	10.4	12.6	14.2	167.3	21.2	123.6
*	FIRST CAROLINA	OC-FCAR	10	599	32.03	0.50 MAR	1.31	30.00	0.0	1.7	22.5	1.7	-6.3	4.1	21.0
A	FLEETWOOD ENTER	NY-FLE	12	22908	16.88	0.76 U	APR 3.06 U	26.63	-4.1	6.0	8.7	2.9	57.7	18.1	609.9
B	FOREST CITY-A# (03/10/89)	AS-FCE.A	8	4059	28.25	0.42 U	JAN 3.19	52.00	12.4	29.6	16.3	0.8	84.1	11.3	211.1
B	FOREST CITY-B# (03/10/89)	AS-FCE.B	8	3890	28.25	0.36 U	JAN 3.19	52.00	12.4	25.7	16.3	0.7	84.1	11.3	202.3
C	LP-FORUM RET PFD UN# (06/14/89)	AS-FRL	8	6381	9.21\$	1.35 DEC	0.38	5.38	0.0	-12.2	14.1	25.1	-41.6	4.1	34.3
*	FPA CORP	AS-FPO	7	4011	8.78	0.00 MAR	-2.45 U	3.88	0.0	0.0	0.0	0.0	-55.9	-27.9	15.5
C	GENERAL DEVLPMT (03/10/89)	NY-GDV	6	8497	18.43	0.00 MAR	0.38	13.38	-12.3	5.9	35.2	0.0	-27.4	2.1	113.6
D	GENERAL HOMES	NY-GHO	6	15009	-8.91	0.00 MAR	-11.52	1.13	12.5	125.0	0.0	0.0	0.0	0.0	16.9
A	LP-GOULD INVSTRS LP#	AS-GLP	8	1075	19.76	0.00 DEC	2.77	60.00	-2.6	22.4	21.7	0.0	203.6	14.0	64.5
C	GRUBB & ELLIS CO (06/10/88)	NY-GBE	11	16132	5.05	0.00 MAR	0.14 U	5.38	-4.4	34.4	38.4	0.0	6.4	2.8	66.7
C	HAMMOND CO	OC-THCO	9	2041	5.00	0.10 MAR	-0.52 D	4.63X	-5.5	54.2	0.0	2.2	-7.5	-10.4	9.4
B	HOVNANIAN ENTR (05/17/89)	AS-HOV	7	20848	5.75	0.00 FEB	1.38	10.00	1.3	50.9	7.2	0.0	73.9	24.0	208.5
*	INDIANA FNCL INV	OC-IFII	8	963	12.57	0.00 MAR	0.63	6.50	0.0	10.6	10.3	0.0	-48.3	5.0	6.3
D	INTEGRATED RESC (02/10/89)	NY-IRE	11	7420	18.81	0.00 MAR	1.73 D	4.00	-76.6	-71.2	2.3	0.0	-78.7	9.2	29.7
B	LP-INTERSTATE GEN CO (02/24/89)	AS-IGC	8	9900	3.49	0.72 MAR	1.05	7.63	0.0	17.3	7.3	9.4	118.5	30.1	75.5
*	INTL AMER HOMES	OC-HOME	7	7947	3.94	0.00 MAR	0.53	2.00	-8.6	33.3	3.8	0.0	-49.2	13.5	15.9
B	J M PETERS CO INC (05/17/89)	AS-JMP	7	13980	8.21	0.00 MAY	2.64 D	10.63	8.9	23.2	4.0	0.0	29.4	32.2	148.5
*	JMB REALTY	OC-JMBRS	L	1423	13.52	2.75 FEB	2.73	10.00	2.6	-12.3	3.7	27.5	-26.0	20.2	14.2
A	K&B HOME CORP (05/17/89)	NY-KBH	6	27298	8.75	0.30 MAY	2.07 U	18.13	27.2	113.2	8.8	1.7	107.1	23.7	494.8
A	KOGER PROPS# (03/10/89)	NY-KOG	8	25440	9.67	2.80 MAR	2.79 S	27.88	1.8	12.1	10.0	10.0	188.3	28.9	709.1
C	LP-LA QUINTA MTR IN# (01/13/89)	NY-LQP	8	3975	18.23	2.00 DEC	1.26	8.75	2.9	-23.1	6.9	22.9	-52.0	6.9	34.8
C	LANDMARK LAND (11/18/88)	AS-LML	10	7989	4.91	0.40 MAR	-0.75	21.63	11.6	7.5	0.0	1.8	340.4	-15.3	172.8
C	LEISURE+TECH (05/26/89)	NY-LVX	7	5408	5.20	0.00 MAR	-0.1								

RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL	GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE MAY 24	FROM- JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BKZ	MKT VAL MIL \$	
*	MAY DEPT STORES	(02/26/88)	NY-MA	10	149110	20.45	1.42 S	APR 3.67	40.63X	-3.3	12.1	11.1	3.5	98.7	17.9	6057.6
*	MCA INC	(02/26/88)	NY-MCA	10	73159	23.42	0.68	MAR 2.26	60.13	6.4	32.5	26.6	1.1	156.7	9.6	4398.7
C	MDC HOLDINGS	(11/18/88)	NY-MDC	6	15890	9.52	0.00	MAR -1.60 U	3.38	0.0	22.7	0.0	0.0	-64.5	-16.8	53.6
*	MISSION WEST PR		AS-MSW	7	1499	13.34	0.36	FEB 1.12	9.13	1.4	-5.2	8.1	3.9	-31.6	8.4	13.7
*	MONT RL EST INV	(05/13/88)	NY-MYM	L	10639	9.13\$	0.72 S	MAY 0.71 U	8.38	0.0	1.5	11.8	8.6	-8.3	7.8	89.1
*	NATIONAL ENTRPRS		NY-NEI	12	7138	1.76	0.00	MAR -0.40 D	0.81	-7.1	-27.7	0.0	0.0	-53.8	-22.7	5.8
C	LP-NATIONAL REALTY	(01/13/89)	AS-NLP	8	8906	-1.18	0.80	MAR -2.00 U	8.75	4.5	-17.6	0.0	9.1	0.0	0.0	77.9
A	LP-NEWHALL LAND	(01/13/89)	NY-NHL	10	18857	5.47\$	1.20	MAR 2.47	61.25	3.8	8.2	24.8	2.0	1019.7	45.2	1155.0
B	LP-NVR L.P.	(05/17/89)	AS-NVR	6	25341	4.26	0.48	MAR 1.31	7.13	0.0	21.3	5.4	6.7	67.3	30.8	180.6
B	OAKWOOD HOMES		NY-OH	12	5201	9.67	0.08	MAR 0.03 U	7.13	-18.6	3.6	237.5	1.1	-26.3	0.3	37.1
B	ORIOLE HOMES-A	(05/26/89)	AS-OHC.A	7	1933	13.52	0.55	MAR 2.61	11.75	5.6	16.0	4.5	4.7	-13.1	19.3	22.7
B	ORIOLE HOMES-B	(05/26/89)	AS-OHC.B	7	1924	13.52	0.60	MAR 2.61	11.38	2.2	15.2	4.4	5.3	-15.9	19.3	21.9
*	PAGESETTER HOMES		OC-PAGE	7	1542	7.45	0.00	MAR -0.66	4.25	21.4	-5.6	0.0	0.0	-43.0	-8.9	6.6
*	PARKWAY COMPANY		OC-PKWT	10	1460	26.22	0.80	MAR 0.09	16.00	-0.8	0.0	177.8	5.0	-39.0	0.3	23.4
*	PATTEN CORP		NY-PAT	7	16980	5.11	0.12	MAR 0.50 D	3.38	17.4	-10.0	6.8	3.6	-34.0	9.8	57.3
B	PERINI INV PR\$	(03/24/89)	AS-PNV	8	3878	0.15\$	0.60	MAR 1.66 U	17.00	4.6	3.8	10.2	3.5	1123.3	1106.7	65.9
C	PHM CORP	(05/26/89)	NY-PHM	6	24768	10.68	0.12	MAR 1.57	17.63X	-0.5	58.4	11.2	0.7	65.0	14.7	436.5
*	LP-PRIME MTR INN LP\$		NY-PMP	8	4000	19.17	2.04	MAR 2.38 U	15.38	4.2	-3.9	6.5	13.3	-19.8	12.4	61.5
*	PROPERTY CAPITAL	(08/26/88)	AS-PCT	L	10565	14.27	0.34	APR 1.89	17.75X	-4.8	-14.5	9.4	1.9	24.4	13.2	187.5
D	PUNTA GORDA		AS-PGA	7	2905	-2.43	0.00	DEC -0.99	1.38	-21.4	-47.6	0.0	0.0	0.0	0.0	4.0
*	READING CO	(11/25/88)	OC-RDGC	8	4971	8.70	0.00	MAR 2.80 U	13.63	-1.8	16.0	4.9	0.0	56.6	32.2	67.7
*	LP-RED LIONS INNS \$	(01/13/89)	AS-RED	8	4349	17.12	2.05	MAR 1.63 S	17.25	7.0	16.9	10.6	11.9	0.8	9.5	75.0
*	LP-RETIREMENT LIV MTG		OC-RLIVZ	9	1264	22.73	2.16	DEC 1.97	14.75	-1.7	-10.6	7.5	14.6	-35.1	8.7	18.6
*	ROCKWOOD NATL		PS-RNC	7	9812	2.58	0.00	DEC -0.26	1.00	-20.0	-38.5	0.0	0.0	-61.2	-10.1	9.8
A	ROUSE CO\$	(03/10/89)	OC-ROUS	8	47876	5.86\$	0.56 S	DEC 0.86	29.00X	3.2	18.4	33.7	1.9	394.9	14.7	1388.4
A	RYLAND GROUP	(05/17/89)	NY-RTL	6	12889	13.37	0.60 S	MAR 3.02	21.00	3.1	1.8	7.0	2.9	57.1	22.6	270.7
*	SANTA FE PACIFIC	(07/10/87)	NY-SFX	10	157602	4.27	0.00	MAR -1.30	23.25	3.3	34.8	0.0	0.0	444.5	-30.4	3664.2
*	LP-SHOPCO LAURL CTR\$	(01/13/89)	AS-LSC	8	4660	8.57	1.10	SEP 0.77	9.63	1.3	0.0	12.5	11.4	12.3	9.0	44.9
B	SKYLINE CORP		NY-SKY	12	11217	13.24	0.48 S	FEB 1.46	17.00X	-9.3	9.7	11.6	2.8	28.4	11.0	190.7
D	SOUTHLAND FINCL	(05/27/88)	OC-SFIN	8	16773	3.40	0.00	SEP -2.36	1.81	38.1	141.7	0.0	0.0	-46.7	-69.4	30.4
D	SOUTHWARK CORP	(03/24/89)	NY-SM	10	45117	-18.87	0.00	MAR -28.99	0.50	-20.0	-69.2	0.0	0.0	0.0	0.0	22.6
D	LP-SOUTHWEST RLTY\$	(12/09/88)	AS-SWL	8	3442	5.66\$	0.00	DEC 0.15	0.81	-53.5	0.0	5.4	0.0	-85.6	2.7	2.8
*	STARRETT HOUSING		AS-SHO	7	6430	4.70	0.00	MAR 0.71	8.00	4.9	33.3	11.3	0.0	70.2	15.1	51.4
A	LP-STD PACIFIC L.P.	(05/17/89)	NY-SPF	6	27049	7.78	1.80	MAR 3.27	17.00	10.6	41.7	5.2	10.6	118.5	42.0	459.8
C	TIERCO GP INC		OC-TIER	8	2126	-2.49	0.00	MAR -10.74 D	1.00	0.0	-78.9	0.0	0.0	0.0	0.0	2.1
C	TOLL BROS	(05/26/89)	NY-TOL	6	29961	2.42	0.00	APR 0.62 D	4.75	-15.6	0.0	7.7	0.0	96.3	25.6	142.3
B	LP-UDC-UNIVRSL DEV	(05/17/89)	NY-UDC	7	9364	8.67	2.40	MAR 3.98	21.88X	3.9	16.7	5.5	11.0	152.3	45.9	204.8
*	UNICORP AMER	(07/10/87)	AS-UAC	10	17300	8.49	0.30	MAR -0.56 U	5.50X	6.2	-4.3	0.0	5.5	-35.2	-6.6	95.2
C	UNION VALLEY CORP		AS-UVC	7	4759	4.73	0.00	MAR -0.24 D	6.75	-5.3	-11.5	0.0	0.0	42.7	-5.1	32.1
C	US HOME CORP	(05/17/89)	NY-UH	6	39901	4.43	0.00	MAR 0.12	1.88	0.0	-11.8	15.6	0.0	-57.7	2.7	74.8
*	LP-US REALTY PTRNS\$		OC-USRLZ	8	1222	14.99	2.04	DEC 2.11	7.75	0.0	3.3	3.7	26.3	-48.3	14.1	9.5
*	LP-VMS MORTGAGE INV		OC-VMLPZ	9	7629	9.28	1.08 S	MAR 1.29	7.50	5.3	1.7	5.8	14.4	-19.2	13.9	57.2
*	WASHINGTON CORP		PH-WTC.X	7	1884	5.83	0.25	MAR 1.32	6.75	-1.8	1.9	5.1	3.7	15.8	22.6	12.7
C	WEBB (DEL) CORP	(03/10/89)	NY-WBB	10	9351	6.60	0.00	MAR -1.60	10.63	-18.3	-30.9	0.0	0.0	61.0	-24.2	99.4
*	LP-WINTHROP INS MTG		AS-WMI	9	3868	12.52	1.32 S	MAR 1.36	12.63	2.0	5.2	9.3	10.5	0.8	10.9	48.8
D	WRITER CORP		OC-WRTC	7	4118	0.54	0.00	DEC -4.26 U	0.66	31.2	5.0	0.0	0.0	21.5	-788.9	2.7

COMPARATIVE REALTY STOCK GROUP AVERAGE 06/21/89

GROUP NUMBER & NAME	DIV	NON-DIV	TOTAL	SHARE (000)	BOOK VALUE	ANNUAL DIV	EARN ANN	LAST PRICE	% CHANGE FROM MAY 24	JAN 1	P/E RATIO	ANNUAL YIELD	% PR TO BK	RETURN ON BK	MARKET VAL(000)
1 PROPERTY REITS	41	4	45	8248	11.44	0.98	0.91	14.32	2.0	3.1	15.8	6.8	25.2	7.9	5879.4
2 LEASEBACK REITS	12	1	13	6662	14.25	1.46	1.63	13.91	4.2	7.6	8.5	10.5	-2.4	11.4	1405.5
3 PROP & MTG COMB REITS	14	1	15	5687	11.33	1.19	1.01	10.97	2.2	-3.4	10.8	10.9	-3.2	8.9	918.4
4 MORTGAGE REITS	19	4	23	7925	12.58	1.20	1.07	9.50	6.0	-4.2	8.9	12.6	-24.5	8.5	1540.4
5 PARTICIPATING MTG REITS	9	0	9	11949	11.25	1.12	0.62	9.36	0.5	-7.5	15.1	12.0	-16.8	5.5	1218.6
REIT AVERAGE			105	7932	12.01	1.13	1.02	12.31	2.9	1.4	12.0	9.2	2.5	9.4	10962.3
6 MAJOR HOMEBUILDERS	7	5	12	20639	9.99	0.33	0.39	13.66	4.0	28.3	35.5	2.4	36.7	3.9	2916.7
7 OTHER BLDRS/DEVELOPERS	7	21	28	7406	6.12	0.18	0.45	6.74	3.3	10.8	14.9	2.7	10.2	7.4	1346.3
8 INCOME PROP BLDG/OWNR	18	7	25	8597	10.84	0.96	0.33	16.39	3.5	10.5	49.1	5.8	51.2	3.1	3801.2
9 MORTGAGE BANKER/FINANCE	9	4	13	15945	10.35	0.74	1.31	14.42	5.7	27.5	11.0	5.1	39.4	12.7	7867.0
10 DIVERSIFIED RLTY&HOLDING	8	5	13	39244	10.66	0.43	-1.78	21.88	1.9	9.7	0.0	2.0	105.2	-16.7	15787.0
11 RLTY SVCS/SYNDICATORS	1	4	5	7914	7.51	0.45	-0.13	6.85	-26.1	-15.7	0.0	6.6	-8.7	-1.8	272.9
12 MANUFACTURED HOUSING	3	3	6	11638	8.81	0.22	0.68	10.72	-6.4	5.6	15.7	2.1	21.6	7.7	1014.8
OTHER REALTY STOCKS AVERAGE			102	14675	9.07	0.25	0.23	13.07	1.9	13.5	58.1	3.9	44.0	5.6	33005.8
L LIQUIDATING COMPANIES	4	4	8	7994	11.28	1.48	0.01	8.67	-4.2	-6.4	NC	NC	-23.1	NC	528.4
OVERALL AVERAGE			215	11255	10.56	0.82	0.63	12.68	2.4	7.2	20.1	6.5	20.1	7.8	44496.6
DOW JONES INDUSTRIALS							228.46	2464.91	-0.8	13.7	10.8	3.6			
STANDARD & POOR'S 500							24.96	320.48	0.4	15.4	12.8	3.5			
DOW JONES UTILITIES							11.46	205.13	2.7	10.1	17.9	7.3			

SYMBOLS & ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financials/liquidity position, and competitive posture in business segment; B - Above average in EPS/CFS/dividend growth, financials/liquidity position, and competitive posture in business segment; C - Average but some volatility adequate in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures; D - Sustained losses, illiquidity, and possible bankruptcy filing. * = Not Ranked. Z = Audit or affiliates involved in pending statement. New EPS or Dividend: U=Up, D=Down, S=Unchanged, I=Initial, # = Net Cash Flow (EPS plus noncash charges less mortgage payments). @=Gross Cash Flow. Book value for cash flow entries includes acc. depreciation. Last bid prices used for OTC. P=Paired stock. \$=Current appraised value reported see p. 3. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization.

ADJUSTED: IRT Property - 5-for-4 paid 6-2-89. DELETED: Radice Corp., Ridgewood Properties.